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**2015 Annual Residents Preference Program  
Participation Report**

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**Department of Administration - Office of Small Business Development**

**and**

**Department of City Development**

## **Summary**

As set forth in City of Milwaukee Code of Ordinances Chapter 355, The Office of Small Business Development is responsible for monitoring Residents Preference Program (RPP) participation on private development projects that receive more than \$1 million of direct financial assistance from the City of Milwaukee. The direct financial assistance can include: land sales, grants and loans for brownfield remediation, tax incremental financing, and infrastructure improvements. Terms of the participation requirements are codified in a Human Resources agreement between the Developer and the City.

Per the requirements of City of Milwaukee Code of Ordinances Chapter 355-7-3, the Office of Small Business Development has compiled information regarding the efforts of recipients of City financial assistance in achieving the goals of the RPP program for development agreements.

In 2015, the Office of Small Business Development monitored two private development projects subject to Chapter 355 for compliance with RPP participation. Two projects, totaling \$330 million, received more than \$1 million of direct financial assistance. The projects are summarized in Table 1.

**Table 1: Active Development Projects in 2015**

| <b>Projects in 2015</b> | <b>Completion Date</b> | <b>Cost</b>          |
|-------------------------|------------------------|----------------------|
| Northwestern Mutual     | 2017                   | \$323,571,661        |
| Posner Building         | 9/1/2015               | \$9,528,882          |
| <b>Total</b>            |                        | <b>\$333,100,543</b> |

As noted in the table above, the Northwestern Mutual Tower & Commons (NM) project is still active, with a completion date slated for late 2017. Therefore, the data provided for the NM project covers RPP participation only through December 31, 2015.

## **RPP Participation**

As stipulated in Chapter 355-7-2.a, both projects were subject to a 40% RPP participation requirement. Table 2 below summarizes each project's RPP achievement.

**Table 2: RPP Targets and Achievements**

| <b>Projects</b>     | <b>RPP % Required</b> | <b>RPP % Achieved</b> | <b>RPP % Difference</b> |
|---------------------|-----------------------|-----------------------|-------------------------|
| Northwestern Mutual | 40%                   | 48%                   | +8%                     |
| Posner Building     | 40%                   | 28%                   | -12%                    |

It is important to note that the Office of Small Business Development did not adjust any of the participation percentage requirements or goals for any of these projects. OSBD has enforced all RPP requirements as stipulated in the Human Resources agreements.

At the time of this report, 2015 project data demonstrates that RPP workers accounted for **46% of the total construction hours** worked. Table 3 summarizes the hours worked on these projects.

**Table 3: RPP Hours Worked**

| <b>Projects with RPP Targets</b> | <b># of RPP Hours Worked</b> | <b># of Total Hours Worked</b> | <b>RPP % Achieved</b> |
|----------------------------------|------------------------------|--------------------------------|-----------------------|
| Northwestern Mutual              | 233,330                      | 485,199                        | 48%                   |
| Posner Building                  | 18,305                       | 64,319                         | 28%                   |
| <b>Total</b>                     | <b>251,635</b>               | <b>549,518</b>                 | <b>46%</b>            |

As shown in Table 4 below, worker hours have also been broken down by location: within the City of Milwaukee, in the State of Wisconsin (excluding City of Milwaukee), and outside of Wisconsin.

**Table 4: RPP Hours Worked by Location**

| <b>Projects</b>     | <b>City Hours</b> | <b>Non-City Hours</b> | <b>Non-State Hours</b> |
|---------------------|-------------------|-----------------------|------------------------|
| Northwestern Mutual | 233,330           | 251,870               | 41,949                 |
| Posner Building     | 32,897            | 34,701                | 448                    |
| <b>Total</b>        | <b>266,227</b>    | <b>286,571</b>        | <b>42,397</b>          |

These projects also reported RPP hires in 2015. The NM project employed 451 workers through the Residents Preference Program. The Posner Building employed 79 workers through the Residents Preference Program.

Additionally, a total of 68 RPP workers served as apprentices or participated in an on-the-job training program. With a total of 151 apprentices working on these projects, that equates to a **45% RPP participation amongst apprentices.**

Finally, RPP participation has been broken down by job type in Table 5 and Figure 1.

**Table 5: RPP Workers by Job Type**

| <b>Job Type</b>              | <b># of RPP Workers</b> | <b># of RPP Hours</b> |
|------------------------------|-------------------------|-----------------------|
| Asbestos Abatement Worker    | 23                      | 4,256                 |
| Bricklayer                   | 8                       | 2,738                 |
| Carpenter                    | 6                       | 3,349                 |
| Carpenter & Soft Floor Layer | 54                      | 33,422                |
| Cement Finisher              | 13                      | 7,110                 |
| Cleaner                      | 6                       | 677                   |
| Drywall Taper or Finisher    | 6                       | 667                   |
| Electrician                  | 38                      | 27,262                |
| Fence Erector                | 4                       | 292                   |
| Glazier                      | 2                       | 357                   |
| Heat or Frost Insulator      | 5                       | 1,757                 |
| Heavy Equipment Operator     | 15                      | 11,663                |
| Insulator                    | 15                      | 3,558                 |
| Ironworker                   | 63                      | 42,071                |

|                    |            |                |
|--------------------|------------|----------------|
| Laborer            | 142        | 63,644         |
| Landscaper         | 2          | 154            |
| Painter            | 5          | 442            |
| Pipefitter         | 3          | 657            |
| Plasterer          | 1          | 790            |
| Plumber            | 13         | 6,949          |
| Roofer             | 11         | 1,372          |
| Security           | 12         | 7,824          |
| Sheet Metal Worker | 24         | 7,775          |
| Sprinkler Fitter   | 2          | 1,385          |
| Steamfitter        | 19         | 10,701         |
| Technician         | 2          | 343            |
| Truck Driver       | 51         | 9,568          |
| Tuckpointer        | 3          | 855            |
| <b>Total</b>       | <b>548</b> | <b>251,635</b> |

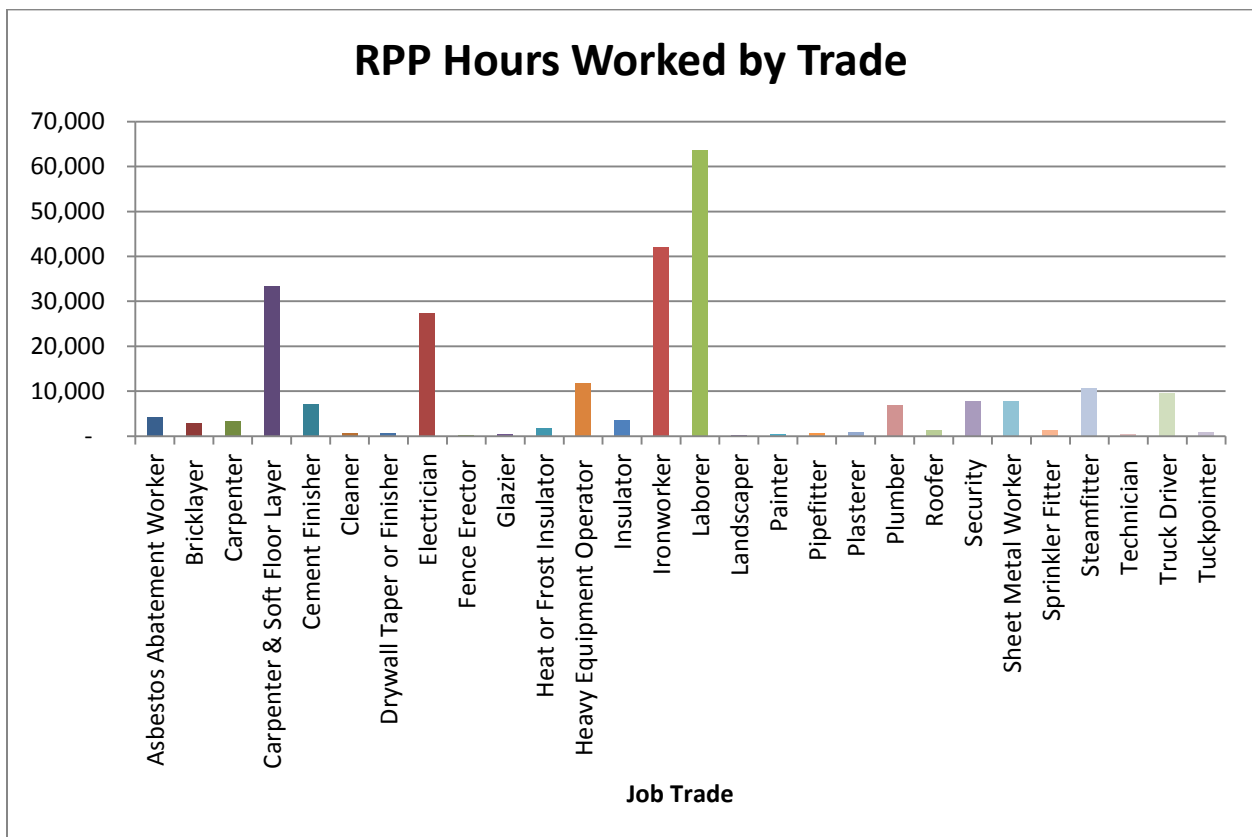


Figure 1: RPP Hours Worked by Trade